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AUTHOR Bentley, Fred H.
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ABSTRACT

This booklet is designed to provide school board members, school district voters, and other interested individuals with a basic understanding of New York's system for the distribution of state aid to school districts. Although the booklet provides a fairly complete outline of New York's school finance plan, it is not a detailed technical guide to be used in applying for state aid. The booklet begins with a glossary of significant school finance terms and then describes in turn all the different categories and mechanisms for providing state aid to school districts, including operating expense aid, aid for pupils with special educational needs, aid for handicapped pupils, aid for secondary school pupils, aid for summer session pupils, aid for evening session pupils, growth aid, budget aid, building expenses aid, transportation expenses aid, high tax rate aid, special services aid for large urban school districts, and district reorganization incentive aid. (Author/JG)

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UNDERSTANDING FINANCIAL SUPPORT OF PUBLIC SCHOOLS

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The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Bureau of Educational Finance Research
Albany, New York 12234

UNDERSTANDING FINANCIAL SUPPORT OF PUBLIC SCHOOLS

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FOREWORD

This report is the third edition that has appeared under the title, "Understanding Financial Support of Public Schools."

The publication is designed to provide a simplified version of the Educational Finance Task Force Proposal which was enacted by the State Legislature and which replaces the Diefendorf shared-cost formula for operating aids. The report contains a glossary of terms and an explanation of the equalization principle for computing operating aid. The components of general aid and special purposes aids described in the report are 1) operating expense, 2) pupils with special educational needs, 3) pupils with handicapping conditions, 4) secondary pupils, 5) summer session, 6) evening session, 7) growth, 8) budget, 9) building expense, 10) transportation, 11) high tax, 12) special services aid for large city schools, and 13) reorganization incentive.

The report was designed to help the average school district voter, the new school board member, the PTA participant, and civic organizations in understanding the operation of State aid distribution to the school districts of New York State.

It is not a detailed technical guide to be used in applying for State aid. For detailed information relative to the preparation of applications for aid payments, school district officials should refer to "A Guide to Programs of State Aid for Elementary and Secondary Education" together with the necessary State Aid Worksheets prepared by the Division of Educational Finance, New York State Education Department, Albany, New York.

This report was prepared by Fred H. Bentley, associate in Educational Finance Research, in the Bureau of Educational Finance Research.

John W. Polley

John W. Polley
Assistant Commissioner for
Research, Planning, and Evaluation

GLOSSARY OF TERMS

A. PUPIL MEASUREMENTS

Adjusted ADA - Adjusted Average Daily Attendance. This is defined as the aggregate number of attendance days of pupils in a public school, divided by the number of days of actual session. Half-day kindergarten weight 0.50. (Not best four of eight or five of 10 periods.)

ADA - Average Daily Attendance. This is the average number of pupils present on each regular school day in a given period, an average determined by dividing the total number of attendance days of all pupils by the number of days school was in session. ADA for a group of classes or schools in session for varying numbers of days is obtained by adding together the ADA for each. Note: For State aid purposes, ADA may be based on attendance for the preceding year or 3 preceding years. The best four out of eight or five out of 10 reporting periods may be used in calculating ADA for a given year. In addition, adjustments are made for the adverse effects of religious holidays on attendance.

WADA - Weighted Average Daily Attendance. This is determined by applying the following weightings to the average daily attendance: half-day kindergarten, 0.50; full-day kindergarten and grades one through six, 1.00; grades seven through 12, 1.25. For aid purposes the higher of 3-year average (base year and two previous years) or the base year WADA.

RWADA	-	Resident Weighted Average Daily Attendance. This is calculated by subtracting the WADA of nonresident pupils attending public school in the district from the district's WADA and adding the WADA of pupils resident in the district but attending full time a school operated by a Board of Cooperative Educational Services or a county vocational education and extension board, or another public school.
Pupils with Special Educational Needs	-	This is the number of pupils attending the public schools of the district with special educational needs determined by the percentage of pupils below minimum competence as measured by the sixth grade pupil evaluation program tests (fall 1971 and fall 1972 average in reading and mathematics). This percentage is multiplied by the district's total ADA to produce the number of eligible pupils for weighting - additional weight for eligible pupils 0.25 pupil units.
Pupils with Handicapping Conditions	-	This is the number of pupils with handicapping conditions who are trainable mentally retarded, educable mentally retarded, visually impaired, hearing impaired, physically handicapped, severely speech impaired, or emotionally disturbed, as defined by the Commissioner and who attend district-operated special educational programs which meet criteria established by the Commissioner - additional weight 1.0 pupil units.
Summer School Pupils	-	This is the number of pupils attending approved programs of instruction operated by the district during the months of July and August of the base year in accordance with the Commissioner's Regulations - weight 0.12.

Evening School Pupils	-	This is the number of pupils in attendance during the evening hours in a program approved by the Commissioner leading to a diploma or equivalency diploma. These programs during sessions which are the equivalent length of a half-day session as defined by the Commissioner - weight 0.50.
Secondary School Pupil Weighting	-	This is the ADA of pupils in grades seven through 12 for whom a district has not received an additional apportionment - weight 0.25.
Total Aidable Pupil Units (TAPU)	-	Total Aidable Pupil Units is the measure on which formula aid is computed. It includes Average Daily Attendance (weighted for half-day kindergarten), aidable pupils with special educational needs, aidable pupils with handicapping conditions, aidable summer school pupils, aidable evening school pupils, and additional pupils weighted for secondary school.

B. WEALTH MEASUREMENTS

Full or Actual Valuation - This is determined by dividing the assessed valuation of taxable real property by the equalization rate of the city, town, or village that makes up the school district. The quotient is generally a larger figure than the assessed value. Assuming that the equalization rates have been accurately established, real property of identical value in separate but similar communities of the State, which had been assessed by diverse local standards, would have the same actual valuation.

Full Valuation per RWADA - Full Valuation per Resident Weighted Average Daily Attendance. This is determined by dividing the full value by the resident weighted average daily attendance of the district, a per pupil measurement of wealth.

Aid Ratio - This ratio is computed from full valuation as defined above. It is a reflection of the full real property valuation behind each RWADA, as compared to the State average full valuation per State WADA.

Aid Ratio = 1.000 - $\left[\frac{\text{Full Valuation per RWADA in district}}{\text{Average Full Valuation per WADA of State (\$43,300)}} \times .51\right]$

A school district with full valuation per RWADA equal to the statewide average full valuation per WADA would have an aid ratio of .490; this means that the State will share 49 percent of the approved building expenses of the district; the school district would contribute the other 51 percent. Where valuations are less than the State average, the aid ratio goes up to a maximum of .900 (prudential control limit); when the district has a higher valuation than the State average, the ratio can go as low as .000 (there are no negative aid ratios). This aid ratio may be used in computing aid for district components of Boards of Cooperative Educational Services.

C. LOCAL EXPENDITURES, MEASUREMENTS, AND ADJUSTMENTS

Local Levy	-	The local levy is the total amount of money to be raised locally by all property and nonproperty taxes.
Tax Rate - Regular	-	The tax rate is the local levy divided by the full value for the same year. It is usually shown as dollars per $1,000 of full value.
Tax Rate for High Tax Rate Aid	-	The tax rate for high tax aid is the local levy for the base year for school purposes other than library purposes and exclusive of any balances in the general fund at the end of the base year divided by the district's full value for the year prior to the base year.
Approved Operating Expenditures	-	Operating expenses for the day-to-day operation of the school. Not included are expenses for building construction, transportation of pupils, expenditures made to purchase services from a Board of Cooperative Educational Services or county vocational education and extension board, tuition payments to other districts, and expenses for programs which do not conform to law or regulation. Money received as Federal aid revenue, proceeds of borrowing, and State aid for special programs are first deducted from total annual expenditures when approved operating expenditures are computed.
Approved Operating Expenditures per Adjusted ADA	-	This figure is obtained by dividing approved operating expenses by adjusted average daily attendance for the same school year.
Base Year and Current Year	-	The expenditures of the immediately preceding school year normally form the base for the determination of operating expenses. This school year is referred to as the base year. The year in which the aid is paid is the current year.

Provisional Growth Index	-	This is the percent of increase in adjusted ADA from the preceding (base) year to the current year (the year in which the aid is paid). It is based on the first attendance period in the fall of each year. A final growth index is calculated at the end of the year from full year data to reflect actual growth.
Tax Rate for Aid Purposes (Expenditure Check Adjustment)	-	If a district's local tax revenues (property and nonproperty) in the current year are less than the equivalent of a $15.00 tax per $1,000 on base year full valuation of taxable real property, its aid is reduced by the difference between its local tax revenues and the yield of the $15.00 tax.

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I

OPERATING EXPENSE AID

Two Basic Concepts

1. Operating expenditures are for:

   a. Superintendents
   b. Teachers
   c. Guidance Counselors
   d. School Nurses
   e. Janitors
   f. Textbooks
   g. Supplies, etc.

2. Money is provided by:

   a. The local school district
   b. The State
   c. The Federal Government

Sharing the Costs -- Why?

1. Article XI, Section 1 of the Constitution of the State of New York provides:

   > The Legislature shall provide for the maintenance and support of a system of free public schools wherein all of the children of this State may be educated.

   The State therefore made it a matter of policy to set minimum standards to ensure that every boy and girl shall have the opportunity for a good education.

2. The local school board determines how far beyond these standards it wishes to go, consistent with the wishes of the people it represents.

Sharing the Costs -- How?

1. By local taxes -- primarily the real property tax.

2. By State taxes -- personal income, business income, consumer sales, and use taxes.

What Costs Are Shared?

Operating costs, such as teachers' salaries, supplies, etc., required in the regular day-to-day kindergarten through 12th grade program, are shared.

BUT

The State shares only in the first $1,200 of approved operating expense per pupil. This is called the State Support Level or ceiling amount. This amount is established by the State legislature. Each year the legislature reviews this figure, and, if an increase is indicated because of the rising costs of education and with consideration of the availability of funds, a new limit could be enacted.

Sharing the Costs -- Method?

The principle of providing an equal basic fund of $1,200 for every boy and girl in attendance in each school district of the State is commonly referred to as the equalization principle.

SO

a. The district levies local taxes to cover the amount needed, after consideration of State and Federal revenues, to balance the yearly budget.

b. The State pays a relatively high percentage of the base amount in poor districts and a relatively low percentage in wealthy districts.

What Is Wealth?

How can it be said that some districts are wealthier than others?

1. The local share comes largely from a tax on real property represented by:

   a. factories
   b. houses
   c. business buildings
   d. land

2. The full value of real property varies from district to district.

3. The number of children to be educated varies from district to district.

SO

4. The full value of real property divided by the resident pupils of the district is used as a measure of wealth per pupil.

NOW

Chart 1 shows how the State Aid Formula adjusts for variations in local wealth.

State Support Level

Observe that:

1. Property (full) value per pupil is shown on the horizontal line, 0 to $101,000.

2. The State Support Level is shown on the vertical line, 0 to $1,200 per pupil.

3. Any point on the solid line (sloping downward from left to right) indicates the State Support Level corresponding to a given amount of property value per child.

THUS

1. A district with $20,000 in full property value behind each pupil has a State Support Level of approximately $900 per child.

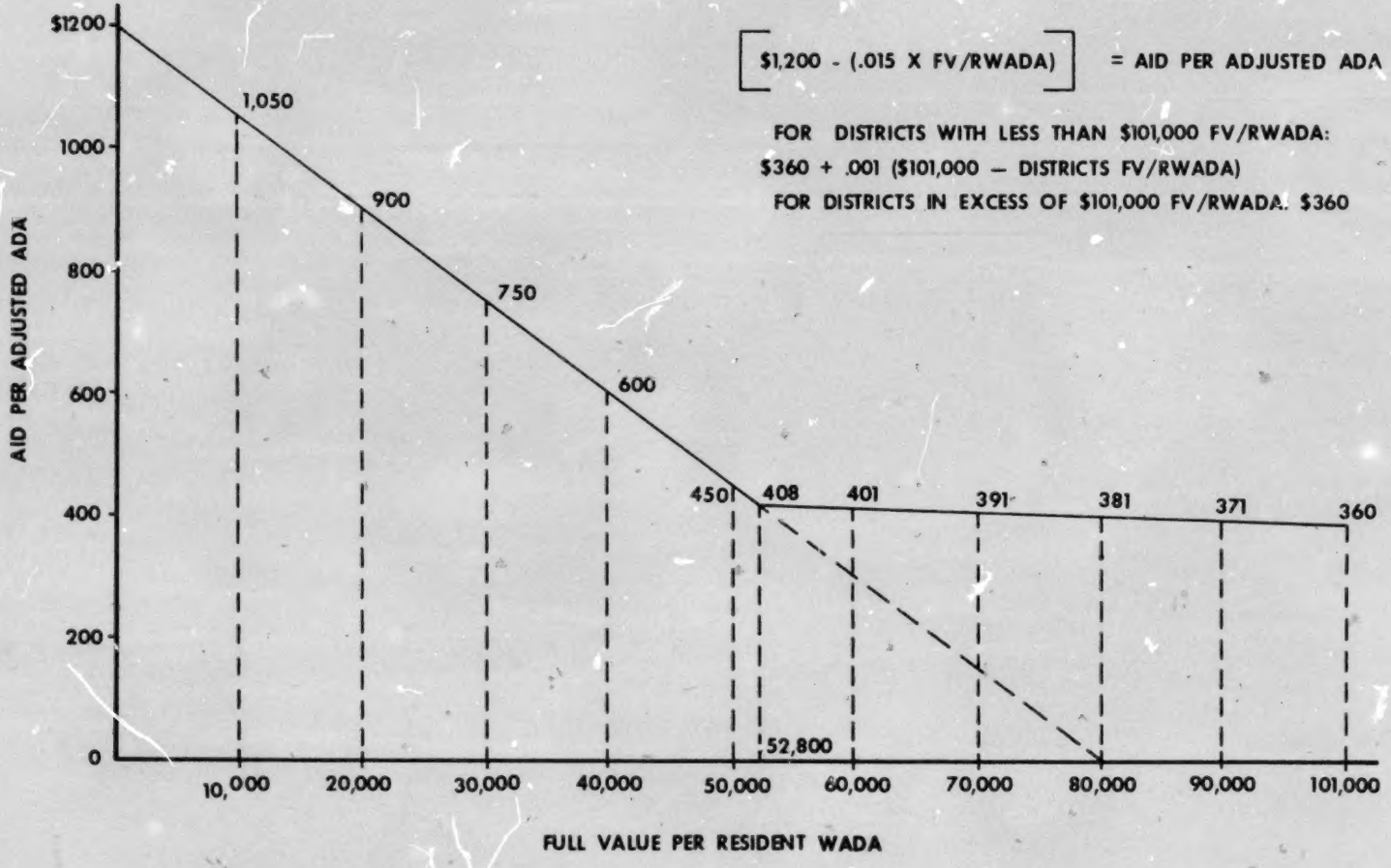
2. Similarly, a district with $52,000 in full property value behind each child has a State Support Level of approximately $408 per child.

HENCE

1. A district with $20,000 full value per child receives State support of $900 per child, which represents 75.0 percent of its approved operating expenditures, and the remaining 25.0 percent, or $300 per child, is to be collected in local taxes. Since the property value

CHART 1

RELATIONSHIP BETWEEN AID PER ADJUSTED ADA AND FULL VALUE OF TAXABLE REAL PROPERTY PER PUPIL (ASSUMING $1,200 PER ADA EXPENDITURE)



per child is $20,000, the tax rate per child is $15.00 per $1,000 of full value ($300 ÷ $20,000) = .015 per $1.00 or $15.00 per $1,000 of full valuation.

2. What would be the tax rate in a district of $40,000 full value per child if it were spending $1,200 per child?_____

3. Are the rates approximately the same?_____

Observe that:

1. The State Support Level increases as the district full value per pupil decreases.

2. The State Support Level decreases as the district full value per pupil increases.

3 The State aid formula operates in such a way that all districts with the same level of expenditures would have approximately the same local tax rate if spending under the $1,200 ceiling.

NOW

1. At what level would there be no State aid?_____

2. What part of the cost of education would be paid by the State in a district with no wealth?_____

BUT

It doesn't work quite that way

BECAUSE

1. No district is deprived entirely of State aid because it is wealthy. The least any district receives in State aid is $360 per pupil. This is commonly referred to as operating expense, "flat grant," or "tax sharing."

NOW

A limitation on State aid is that:

THE STATE SHARES EXPENDITURES
WITH LOCAL DISTRICTS

TO

A Maximum of $1,200 per pupil in ADA

BUT

It is estimated that:

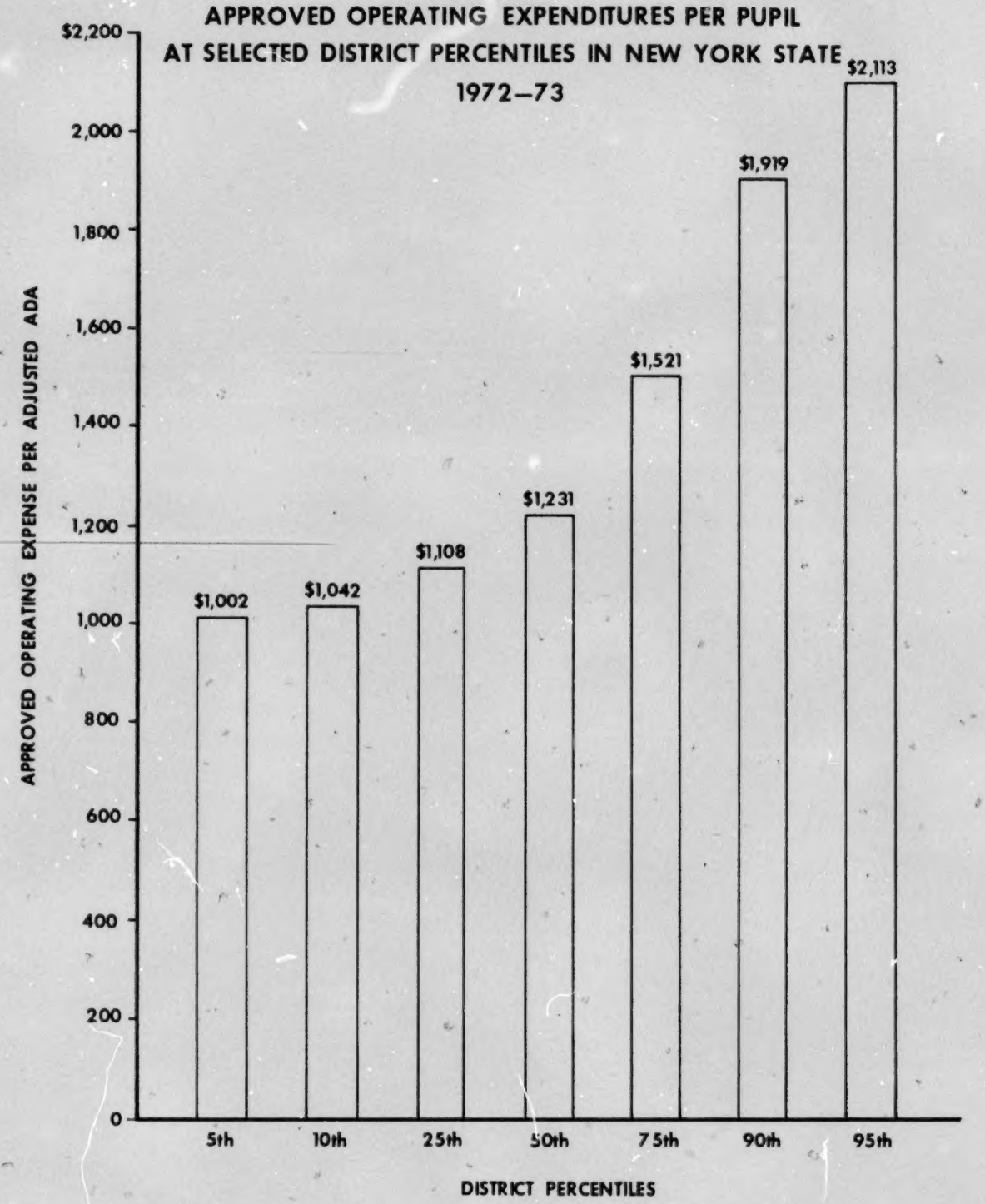
Over 50 percent of the school districts spent more than $1,200 per ADA in 1972-73. (Chart 2)

Observe that:

1. The per pupil expenditure of districts is measured vertically.
2. The district percentiles are measured horizontally.
3. There are examples of district expenditures at selected percentiles.

ALSO

CHART 2


APPROVED OPERATING EXPENDITURES PER PUPIL
AT SELECTED DISTRICT PERCENTILES IN NEW YORK STATE
1972–73
APPROVED OPERATING EXPENSE PER ADJUSTED ADA
$2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
$1,002
$1,042
$1,108
$1,231
$1,521
$1,919
$2,113
5th
10th
25th
50th
75th
90th
95th
DISTRICT PERCENTILES

There are examples of expenditures at various property (full value) levels in 1972-73. (Chart 3)

Observe that:

1. The per pupil expenditure of districts is measured vertically.

2. The property (full value) level per pupil is measured horizontally.

3. Each district expenditure is separated to show the amount of State aid and the amount financed locally.

NOTE THAT

1. All districts above $101,000 full value per child receive $360 per pupil in State aid. These are the so-called "flat grant districts."

2. The remaining districts receive more than $360 per pupil in State aid, and the amount which they receive is inversely related to their wealth. These are the so-called "equalization districts."

3. All districts raise the balance of their expenditures through local taxation, mainly on property.

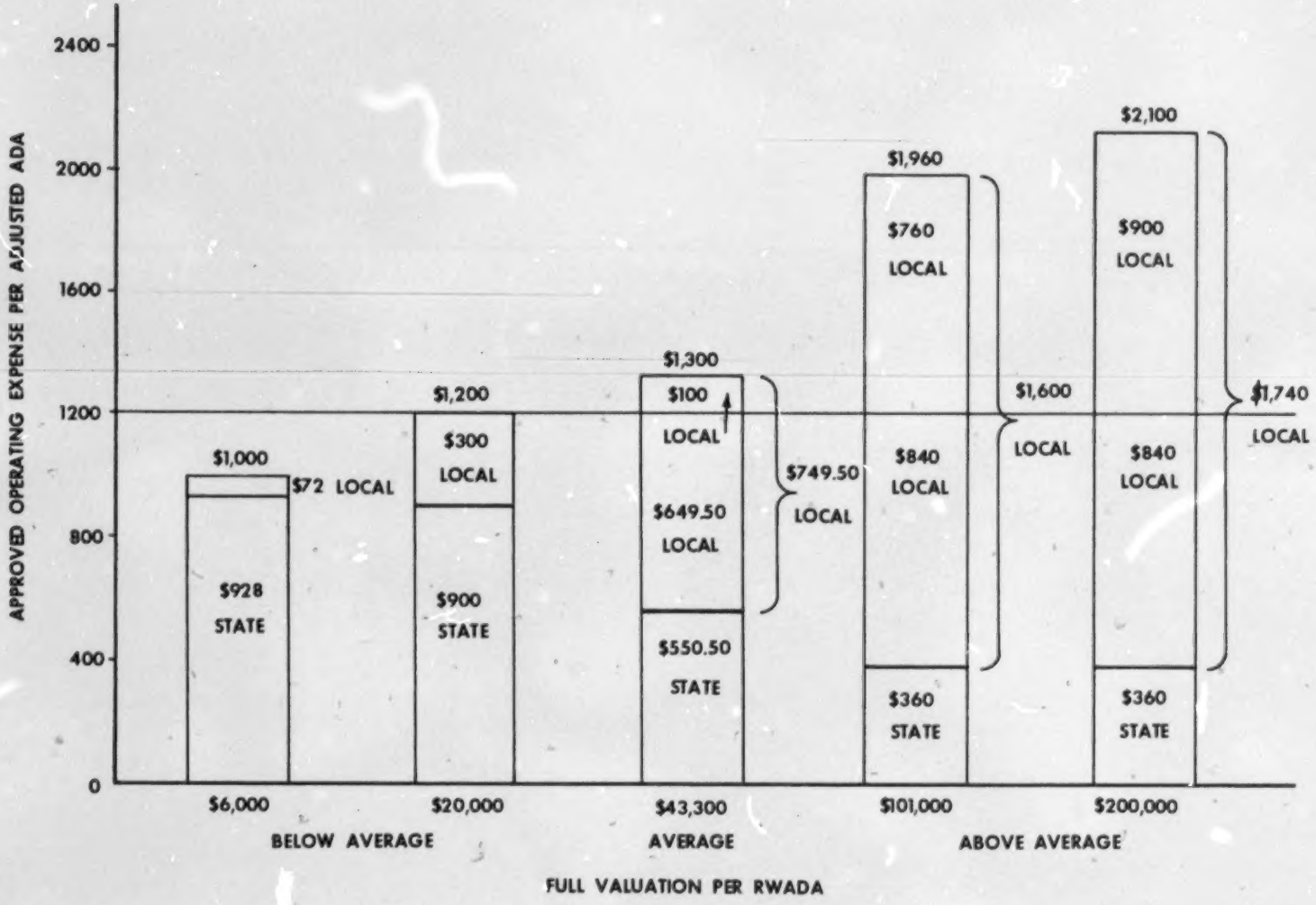
Observe from the chart that:

1. The expenditure level of low wealth districts is based mostly upon State aid.

2. The high expenditure level of the high wealth districts is based mostly upon local tax resources.

CHART 3

PER PUPIL RELATIONSHIP AMONG OPERATING EXPENDITURES, FULL VALUE OF TAXABLE REAL PROPERTY, AND STATE AID IN NEW YORK STATE



II

AID FOR PUPILS WITH SPECIAL EDUCATIONAL NEEDS

Who Are Pupils with Special Educational Needs?

They are pupils attending the public schools of the district determined by the percentage of pupils below minimum competence as measured by the sixth grade pupil evaluation program (PEP) Tests (fall of 1971 and fall of 1972 average in reading and mathematics). This percentage is multiplied by the districts' adjusted ADA to produce the number of eligible pupils for weighting.

How Does It Work?

A. Multiply the districts' adjusted ADA by the percentage carried to one place without rounding of sixth grade children in the district scoring below level four on the reading and math tests to obtain the eligible pupils for weighting and then multiply by the 0.25 weighting for aid.

B. EXAMPLE:

	1971-72 School Year			1972-73 School Year		
	Reading	Math	Total	Reading	Math	Total
Number of pupils scoring below level 4 - ADA	25	27	52 (a)	20	18	38 (c)
Number of pupils taking exam - ADA	100	100	200 (b)	90	90	180 (d)

$$(a + c) \div (b + d) = 90 \div 380 = 23.6\%$$

Assume district adjusted ADA = 2,000:

2,000 x .236 = 472 eligible pupils x .25 weight = 118 additional pupil units.

III

AID FOR PUPILS WITH HANDICAPPING CONDITIONS

Who Are Pupils with Handicapping Conditions?

They are pupils who are trainable mentally retarded, educable mentally retarded, visually impaired, hearing impaired, physically handicapped, severely speech impaired, or emotionally disturbed, as defined by the Commissioner and who attend district-operated special educational programs which meet criteria established by the Commissioner.

How Does It Work?

A. Pupils in half-day kindergarten weighted at 0.50, kindergarten through grade twelve weighted at 1.0.

B. EXAMPLE:

	Half-day Kindergarten	Kindergarten Through Grade 12
Handicapped Count ADA	12	89
Weighting	x 0.5	x 1.0
TOTALS	6.0	89.0

6.0 + 89.0 = 95.0 additional pupil units

IV

AID FOR SECONDARY SCHOOL PUPILS

Who Are Secondary School Pupils for Aid?

They are pupils who are in grades 7 through 12, not otherwise weighted, who will receive an additional weighting of 0.25.

How Does It Work?

EXAMPLE:

PEP Score 20% --	750 ADA	-	grades 7 through 12
	750 x .20	=	150 eligible PEP pupils
	6	=	handicapped pupils
750 ADA less 150 PEP, less 6 handicapped		=	594 eligible for secondary wtg.
			x 0.25 weighting
			148.50 additional pupil units

V

SUMMER SESSION PUPILS

Who Are Summer Session Pupils?

They are pupils who attend approved programs of instruction operated by the district during the months of July and August in accordance with the Commissioner's Regulations - weight 0.12.

How Does It Work?

EXAMPLE:

1. 100 students in ADA - 1 period = 100 x 0.5 = 50

2. 200 students in ADA - 2 or more periods = 200 x 1.0 = 200

250

x0.12

30.00 additional pupil units

VI

EVENING SESSION PUPILS

Who Are Evening Session Pupils?

They are pupils who have not obtained a high school diploma or a high school equivalency diploma who are in attendance during the evening hours in a program approved by the Commissioner leading to a diploma or equivalency diploma. These programs to be in sessions which are the equivalent in length of a half-day session - weight 0.50.

How Does It Work?

EXAMPLE:

1. 100 students in ADA - 90 minutes of classes = 100 x 0.5 = 50

2. 200 students in ADA - 165 minutes or more of classes = 200 x 1.0 = 200

250

x0.50

125.00 additional pupil units

VII

A. GROWTH AID

What Is Provisional Growth?

1. The district estimates the number of pupils in attendance for the current year. (First attendance period in the fall)

2. It compares this total with the number of pupils in attendance in the base year. (First attendance period in the fall)

3. The number of pupils in excess of the total for the base year is the growth in pupils for the current year.

SO

The State says that for districts that are experiencing growth in attendance, additional operating expenses aid will be available in current year. This additional aid is called growth aid.

What Is Growth Aid?

It may be recalled that operating aids are computed on the basis of the conditions prevailing in the base school year. Growth aid is therefore a device which permits districts to use the increased number of pupils in the current year for computing additional aid. The following example illustrates:

How Is Growth Aid Computed?

1. Pupils in current year (1974-75) - 110
   Pupils in base year (1973-74) - 100
   Growth in pupils - 10

   Percent increase = $\frac{10}{100}$ or 10 percent increase from base year.

2. This percent increase is an adjustment applied against the operating aids as follows: assume TAPU = 1,000

   $1200 - (.015 x $20,000) = $900/ADA x 1,000 = $900,000 operating aid*
   therefore: $900,000 x .10 (growth percent) = $ 90,000 growth aid

*or the sum of ADA aid + PEP aid + handicapped aid + summer school aid + evening school aid + secondary weighting = operating aid

B. BUDGET AID

Budgeted operating expenditures are operating expenses for the current year as approved by the voters at the annual district meeting or by a board of education in a city school district.

What Is Budget Aid?

We know that the operating aid is based on the base year's expenditures.

Budget aid is thus an attempt to calculate State aid on the basis of current year's expenditures. It is available, however, only to districts spending less than the State Support Level or ceiling amount per pupil in ADA in the base year.

How Much Aid Can a District Get?

Budget aid is not paid on any part of the planned expense per pupil which exceeds the operating aid ceiling, nor in an amount exceeding 115 percent of the base year approved operating expense per ADA.

How Does It Work?

The district simply substitutes its current year's expenditure for the base year's expenditure and current year TAPU in computing operating aid.

EXAMPLE:

$1,200 ceiling expense

A district with a base year per pupil expense of $1,100 and current year expense of $1,200: $1,200 - $1,100 = $100 x TAPU (est. current yr.) = additional aid current year due to budget provision.

VIII

BUILDING EXPENSES AID

What Are Approved Building Expenses?

The expenses connected with construction of new school buildings, additions to present buildings, and the alteration or modernization of buildings, in compliance with standards set by the New York State Education Department are approved building expenses. For purposes of State aid, the State establishes (1) a ceiling based on the rated capacity of the building as approved by the Department and (2) a per pupil cost allowance as specified in the law.

What Expenses Are Aidable?

1. Debt service payments on indebtedness incurred to finance a building project

2. Cash payments for approved building expenditures

What Is Debt Service?

Debt service payments on the expenditures for principal and interest charges on bonds or notes issued for building construction.

What Are Capital Expenditures?

Capital expenditures are those cash payments for approved building expenditures.

How Does It Work?

1. State aid is available only for school buildings and school bus garages which meet New York State Education Department-approved standards.

2. State aid is computed by multiplying the district's aid ratio by the approved building expenses.

EXAMPLE: (See Chart 4)

1. A district with average full value per pupil, an aid ratio of 49 percent, and approved building expenses of $100,000 would receive:

   $100,000 x .490 = $49,000 building expense aid

2. A district with a high full value per pupil (wealthy district), an aid ratio of .000, and approved building expense of $100,000 would receive:

   $100,000 x .000 = 0 building expense aid

   This is unlike operating expense aid, where it would be possible to obtain minimum aid or a "flat grant."

3. A district with a low full value per pupil (poor district), an aid ratio of 90 percent (maximum amount allowed), and approved building expenses of $100,000 would receive:

   $100,000 x .900 = $90,000 building expense aid

CHART 4

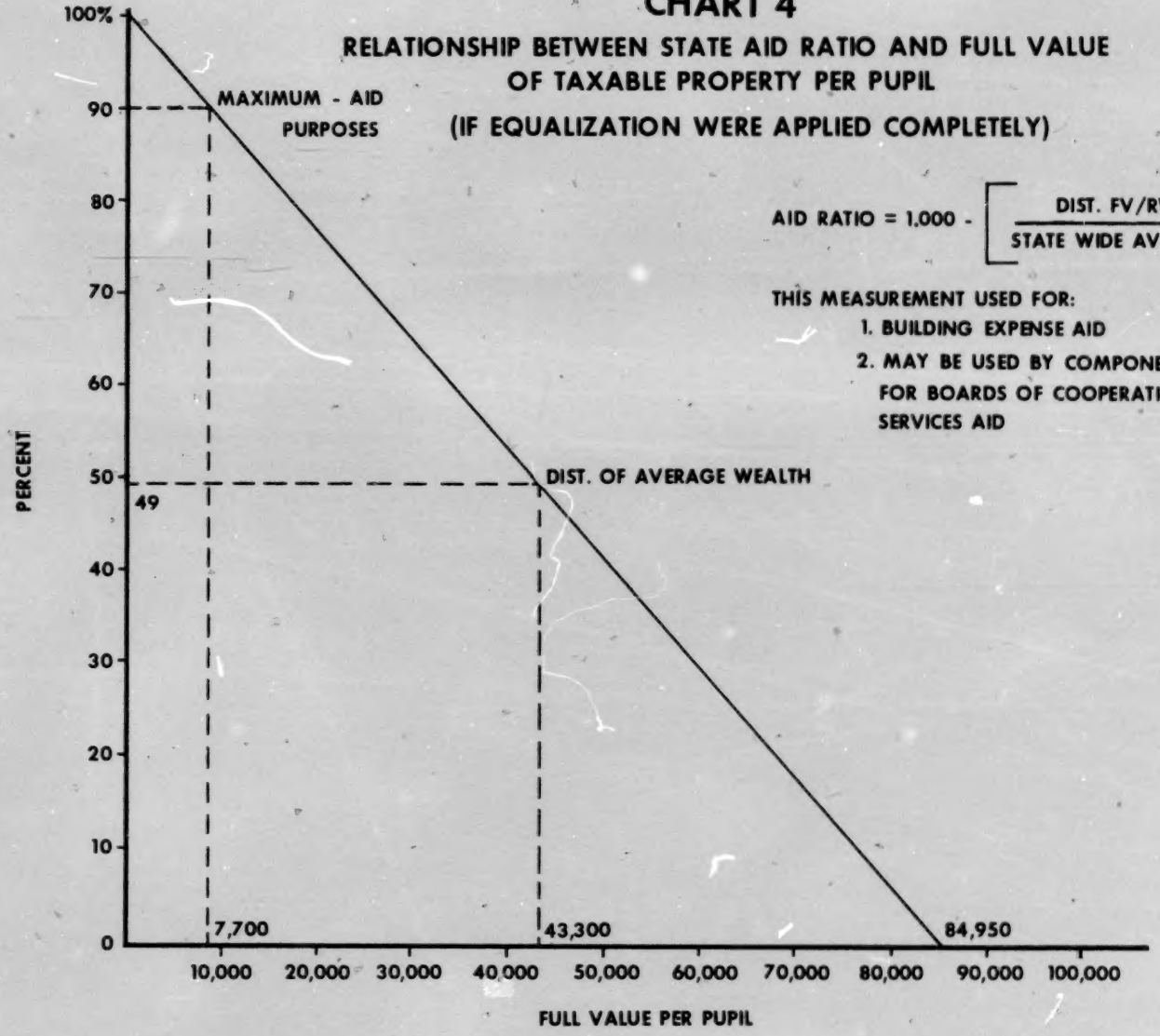
RELATIONSHIP BETWEEN STATE AID RATIO AND FULL VALUE OF TAXABLE PROPERTY PER PUPIL

(IF EQUALIZATION WERE APPLIED COMPLETELY)

$$\text{AID RATIO} = 1.000 - \left[\frac{\text{DIST. FV/RWADA}}{\text{STATE WIDE AV FV/WADA}} \times .51\right]$$

THIS MEASUREMENT USED FOR:

1. BUILDING EXPENSE AID
2. MAY BE USED BY COMPONENT DISTRICTS FOR BOARDS OF COOPERATIVE EDUCATIONAL SERVICES AID



IX

TRANSPORTATION EXPENSE AID

What Are Transportation Expenses?

Transportation expenses are those incurred in transporting all pupils living over 1.5 miles from school to and from school once daily. They include expenditures for the operation of buses owned by the district, buses leased by the district under contract, and public service (common carrier) buses.

What Are Approved Transportation Expenses?

For districts owning their buses, the typical expenditures are drivers' wages, gas, oil, tires, chains, maintenance, repairs, storage, water and sewer charges, insurance premiums, tolls, and capital outlay for buses.

Some Expenses That Would Not Be Approved for Transportation Expense Aid:

Transportation for summer school, field trips, athletic trips, excursions, noon trips home to lunch, shuttle trips between schools, and transporting children living less than 1.5 miles from school.

How Does It Work?

The State pays the district 90 percent of the approved transportation expense.

EXAMPLE:

A district has approved transportation expenses of $100,000;

$100,000 x .90 = $90,000 transportation expense aid

X

SPECIAL CONDITIONS AFFECTING SOME DISTRICTS

A. HIGH TAX RATE AID

What Is High Tax Rate Aid?

A school district with a local tax rate greater than $24 per $1,000 full valuation computed by dividing the districts' total tax revenues (real property and nonproperty) for the base year (1973-74) by the full valuation of the year prior to the base year (1972-73). (This aid is subject to certain limitations.)

This will help districts with less than $40,000 FV/RWADA and with a tax rate in excess of $24 per $1,000 FV. Aid will range from $0.80 to $80 per pupil. (See attached schedule.)

How Does It Work?

EXAMPLE:

Basic Formula: $[\$80 \text{ (\% payable*) } (1.000 - \frac{\text{FV/RWADA}}{40,000})] \times \text{TAPU (Total Aidable Pupil Units)}$

District A	Total Levies	$ 550,000
	Gross Full Value	$20,500,000
	RWADA	1,025
	FV/RWADA	$ 20,000
	TAPU	1,000

Tax Rate for High Tax Aid = 550,000 ÷ 20,500,000 = .02682 or $26.82 per $1,000 FV.

$$[\$80\ (.569)\ (1.000 - \frac{20,000}{40,000})] \times 1,000 = \$22,760$$

B. SPECIAL SERVICES AID FOR LARGE CITY SCHOOL DISTRICTS (Over 125,000 Population)

What Is Special Services Aid?

The city school districts having populations in excess of 125,000 shall be entitled to aid for certain occupational

*See attached schedule

DETERMINE THE PERCENTAGE CORRESPONDING TO THE DISTRICT'S LOCAL TAX RATE FROM THE FOLLOWING TABLE AND MULTIPLY SUCH PERCENTAGE BY $80

Tax Rate	Percentage Payable	Tax Rate	Percentage Payable
.02400-.02409	1.0	.02710-.02719	62.6
.02410-.02419	2.0	.02720-.02729	64.5
.02420-.02429	3.0	.02730-.02739	66.4
.02430-.02439	4.0	.02740-.02749	68.2
.02440-.02449	5.0	.02750-.02759	70.0
.02450-.02459	7.4	.02760-.02769	71.8
.02460-.02469	9.8	.02770-.02779	73.6
.02470-.02479	12.2	.02780-.02789	75.3
.02480-.02489	14.5	.02790-.02799	77.0
.02490-.02499	16.8	.02800-.02809	78.2
.02500-.02509	19.1	.02810-.02819	79.4
.02510-.02519	21.4	.02820-.02829	80.6
.02520-.02529	23.6	.02830-.02839	81.8
.02530-.02539	25.8	.02840-.02849	83.0
.02540-.02549	28.0	.02850-.02859	84.2
.02550-.02559	30.2	.02860-.02869	85.4
.02560-.02569	32.4	.02870-.02879	86.6
.02570-.02579	34.6	.02880-.02889	87.8
.02580-.02589	36.7	.02890-.02899	89.0
.02590-.02599	38.8	.02900-.02909	90.1
.02600-.02609	40.9	.02910-.02919	91.2
.02610-.02619	43.0	.02920-.02929	92.3
.02620-.02629	45.0	.02930-.02939	93.4
.02630-.02639	47.0	.02940-.02949	94.5
.02640-.02649	49.0	.02950-.02959	95.6
.02650-.02659	51.0	.02960-.02969	96.7
.02660-.02669	53.0	.02870-.02979	97.8
.02670-.02679	55.0	.02980-.02989	98.9
.02680-.02689	56.9	.02990-.02999	100.0
.02690-.02699	58.8	.03000 or over	100.0
.02700-.02709	60.7		

education pupils in grades 10-12 and for handicapped pupils who are severely disturbed emotionally, who are in classes for trainable mentally retarded, or, who are severely handicapped physically.

How Does It Work?

1. For each occupational education student in grades 10 through 12, a large city district will receive additional aid equal to $1,200 minus .015 times the FV/RWADA of the district. [$1200 - (.015 x FV/RWADA)] x number of occupational education students in ADA.

EXAMPLE:

3,000 ADA grades 10 through 12 with district FV/RWADA = $36,000

[$1200 - (.015 x 36,000)] x 3,000 = 1200 - 540 local share = $660 x 3,000 = $1,980,000 additional aid
(local share)

2. For each severely handicapped, emotionally disturbed, or mentally retarded pupil who meets the criteria established by the law and is in a program approved by the Commissioner, the large city district will receive $3,000 minus .015 times the district's FV/RWADA [$3,000 - (.015 x FV/RWADA)] x number of severely handicapped in ADA.

EXAMPLE:

1,200 severely handicapped with district FV/RWADA = $36,000

[$3,000 - (.015 x 36,000)] x 1,200 = $3,000 - 540 local share = $2,460 x 1,200 = $2,952,000 aid
(local share)

C. REORGANIZATION INCENTIVE AID

What Is Reorganization Incentive Aid?

Under certain conditions districts which have reorganized in compliance with the master plan for school district reorganization since July 1, 1965, and in some instances since July 1, 1962, are eligible to receive additional aid . These are an additional 25 percent of the regular building expense aid payable and an additional 10 percent of the operating expense aid for a period of five years. Thereafter, the 10 percent additional is reduced by 1 percent each year until the additional operating aid is eliminated.

D. TAX RATE FOR AID
(Expenditure Check)

What Is Tax Rate for Aid?

To participate fully in the general aid program, a district has to levy an appropriate tax rate if the district is spending at $1,200 or above.

How Does It Work?

To be eligible to receive maximum general aid, a district must levy local taxes (property and nonproperty) equivalent to a rate of $15.00 per $1,000 of full value.

EXAMPLE:

District's FV	=	$20,000,000	
District's expenditure per pupil	=	$ 1,200	
District's total levy			= $280,000
Required levy = (.015 x $20,000,000)			= 300,000
Difference			= 20,000

District's aid reduced by $20,000 since it failed to levy the minimum tax of $15.00 per $1,000 FV at an expenditure of $1,200 per pupil.

(District's actual rate = $280,000 ÷ 20,000,000 = $14.00 per $1,000 FV)

XI

DISTRIBUTION OF STATE AID

The following table shows the type and amount of general formula aid paid to school districts for each of 3 school years.

COMPONENT PARTS OF GENERAL AID
PAID TO MAJOR SCHOOL DISTRICTS
1971-72 -- 1973-74
(In Millions of Dollars)

Components	AMOUNTS 1971-72[1]	1972-73[1]	1973-74[2]
OPERATING AIDS			
Operating Expense	$1,640.0	$1,673.8	$1,782.0
Growth Aid	22.8	13.9	12.0
Size Correction	112.3	112.4	111.8
Budget Aid	1.8	2.4	1.7
Flat Grant	37.5	41.8	-------[3]
Total Operating Aids	$1,814.4	$1,844.3	$1,907.5
Building Aid	$ 209.8	$ 219.7	$ 228.6
Transportation Aid	154.9	168.8	182.9
OTHER FORMULA AID			
Formula Minimum	$ 0.1	$ 0.0	$ -------[3]
Save Harmless	0.6	1.0	-------[3]
Incentive Reorganization	12.7	12.0	11.0
Tax Rate Check	- 0.1	- 0.1	-------[3]
Adjustment - Prior Years	8.9	- 0.2	6.0
High Tax Rate Aid	24.7	27.3	33.0
Less Than Eight-Teacher	0.2	0.1	-------[3]
Handicapped Adjustment	- 2.5	- 2.7	2.6
TOTAL GENERAL AID[4]	$2,223.7	$2,270.2	$2,371.6

[1] Source: The University of the State of New York, The State Education Department: Division of Educational Finance: State Aid for Elementary and Secondary Education in New York State as Apportioned in 1972-73, Table 2, page 6.

[2] Estimated by Bureau of Educational Finance Research.

[3] Included in Operating Expense Aid.

[4] Does not include BOCES aid of $85 million in 1971-72, $97 million in 1972-73, and an estimated $107 million in 1973-74.